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# UNITED STATES DISTRICT COURT SOUTHERN DISTRICT OF NEW YORK

DEBORAH DONOGHUE,

Plaintiff,

- against -

COMPLAINT

COVANSYS CORPORATION and 07 Civil 8552 (Baer, J.) GARY C. WENDT,

Defendants.

DEBORAH DONOGHUE, by David Lopez, Esq., her attorney, complaining of the defendants, respectfully alleges the following upon information and belief except as to paragraph 2 which plaintiff alleges on personal knowledge:

## JURISDICTION:

1. This action arises under the provisions of Section 16(b) of the Securities Exchange Act of 1934, as amended (the "Act"), 15 U.S.C. Section 78p(b), and jurisdiction is

conferred upon this court by Section 27 of the Act, 15 U.S.C. Section 78aa.

## THE PARTIES:

- 2. Plaintiff is a security owner of COVANSYS CORPORATION, a Michigan corporation whose principal offices are located at 32605 W. Twelve Mile Road, Farmington Hill, Michigan 48334. At all times relevant hereto the common stock of COVANSYS CORPORATION was registered under Section 12(g) of the Act and traded on the NASDAQ National Market System through market makers located within this district. This action is brought in the right and for the benefit of COVANSYS CORPORATION which is named as a party defendant solely in order to have all necessary parties before the court.
- 3. At all times relevant to liability hereunder GARY C. WENDT was an insider of COVANSYS CORPORATION, to wit: a director.

## STATUTORY REQUISITES:

4. The violations to be described herein involve non-exempt securities in non-exempt transactions engaged in by non-exempt persons within the meaning of Section 16(b) of the Act and of the rules and regulations promulgated

thereunder.

- 5. Demand for prosecution was made on COVANSYS CORPORATION on March 14, 2007. Upon receipt of plaintiff's demand and upon learning that he was liable to COVANSYS CORPORATION for the short-swing profits he had realized through his trading as recited herein and with the intent to evade such liability, GARY C. WENDT instructed his broker to rescind the purchase he had voluntarily made on November 8, 2006, some four months prior to the date of the putative rescission. COVANSYS CORPORATION has accepted that this rescission extinguished the liability of GARY C. WENDT to it and has refused plaintiff's request for a recovery. More than 60 days have expired since demand and further delay in the filing of suit would be a futile gesture.
- 6. This action is brought within two years of the occurrence of the transactions described below or within two years of the date of the filing of reports by GARY C. WENDT with the Commission as required by 15 U.S.C. 78p(a) setting forth the substance of the transactions here complained of.

# FIRST CLAIM FOR RELIEF:

7. GARY C. WENDT purchased, inter alia, 5,500 shares

of the common stock of COVANSYS CORPORATION on August 2, 2006, and roughly 57,000 additional shares in the months of August, September and November, 2006.

- 8. GARY C. WENDT sold 4,416 shares of the common stock of COVANSYS CORPORATION on November 8, 2006, within six months of the purchases aforesaid, such sales being at prices higher than paid for the purchases.
- 9. By reason of the foregoing sales and purchases or purchases and sales of shares beneficially owned by him within periods of less than six months while he was a director and fiduciary of COVANSYS CORPORATION, GARY C. WENDT realized profits, the exact amounts being unknown to plaintiff, which profits inure to the benefit, and are recoverable by plaintiff on behalf, of COVANSYS CORPORATION.
- 10. The purported rescission of the sale, some four months after its completion and in response to plaintiff's demand for recovery of profits was ineffectual, as a matter of law, to extinguish the liability of GARY C. WENDT to COVANSYS CORPORATION.

### SECOND CLAIM FOR RELIEF:

11. GARY C. WENDT, during periods not barred by the statute of limitations preceding the date of the filing of

the complaint in this suit, purchased and sold or sold and purchased equity securities or share equivalents beneficially owned by him of COVANSYS CORPORATION within periods of less than six months while an insider and a fiduciary of COVANSYS CORPORATION.

12. By reason of such purchases and sales or sales and purchases within periods of less than six months while an insider of COVANSYS CORPORATION, GARY C. WENDT realized profits, the exact amounts thereof being unknown to plaintiff, which profits inure to the benefit, and are recoverable by plaintiff on behalf, of COVANSYS CORPORATION.

## WHEREFORE, plaintiff demands judgment:

- a) Requiring GARY C. WENDT to account for and to pay over to COVANSYS CORPORATION the short-swing profits realized and retained by him in violation of Section 16(b) of the Act, together with appropriate interest and the costs of this suit.
- b) Awarding to plaintiff his costs and disbursements, including reasonable attorneys' fees; and
- c) Granting to plaintiff such other and further relief as the court may deem just and proper.

Dated: Southampton, New York

October 1, 2007

Yours, etc.

/s/David Lopez\_\_\_\_\_

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